Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 5, 2009

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, March 12, 2009** Commission meeting. Minutes of the January 2009 meeting and the Executive Director's report will both be e-mailed to you prior to Thursday's meeting.

The meeting will be held in the Vern Riffe Center, 31st floor, **South B&C** beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Thomas McOwen
Vice-Chair

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, March 12, 2009, 10:00 a.m.

Vern Riffe Center for Government & the Arts

77 South High Street, 31st floor, South B&C, Columbus, Ohio

CALL TO ORDER: Tom McOwen, Vice-Chair

- Welcome
- Roll Call
- Approval of Minutes from January Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

PROJECTS FOR APPROVAL

- Resolution 09-12: Federal Railroad Administration Planning Grant
- Resolution 09-09: CUOH Newark to Mt Vernon Line
- Resolution 09-10: I&ORY Midland Sub Rehab
- Resolution 09-11: City of Greenfield Rehab

APPROVED PROJECT BRIEFINGS

- Ohi-Rail Minerva Tie Project

PANHANDLE LONG TERM LEASE COMMITTEE REPORT
Commissioner Tom McOwen, Committee Chairman

REPORTS OF STANDING COMMITTEES: Committee Chairs

OLD BUSINESS

- Resolution 09-06: Abandoned Railroad Rights-of-Way

NEW BUSINESS

-

PUBLIC COMMENT

ADJOURN

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: March 2009 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the January Commission Meeting.

ORDC Budget: The budget and associated testimony has taken a great deal of staff time since the January meeting. The ORDC budget is contained in two bills HB 1 – the State's General Budget that includes ORDC General Revenue Fund (GRF) appropriations used for operations and grants and HB 2- the State's Transportation budget that included in the safety funds, loan funds and language that allows us to accept funds for passenger rail operations in the upcoming biennium. As we have reported, the HB 2 passenger language provisions have received a great deal of attention. Current Status: HB 2 has cleared the House with an amendment that "Adds an additional member to the 14-member Ohio Rail Development Commission, to be appointed by the Governor, representing the interests of manufacturers and having contracting responsibility for rail and non-rail freight transportation. Modifies the voting requirements so that an affirmative vote of six members is necessary to take action." It is now pending action in the Senate before the Senate Transportation Committee. Action on the final bill is expected by the end of March. HB 1 is still in the House. Final action is not expected until June. Thank you to all commissioners for your outreach efforts on our budget.

Federal Stimulus Funds for Rail: There are many opportunities for both freight and passenger rail. As part of the bill, freight and passenger rail projects were explicitly made eligible for Federal Highway Administration (FHWA) funding. ODOT requested that ORDC comment on over 400 rail-related projects submitted to the state. In addition to the FHWA funding, the Federal Railroad Administration (FRA) received $9.3 billion for passenger rail development with $8 billion specifically available to states for one of the following programs: high speed rail; intercity passenger rail capital grants; and congestion. The Federal DOT Secretary is required to provide to congress within 60 days of enactment a strategic plan for the funds and within 120 days interim program guidance.

Ohio Bipartisan Job Stimulus Plan: At the time of this report, the State of Ohio has received 29 Letters of Intent totaling $161,288,405 for Logistics and Distribution Stimulus Program funding. Because of the number and value of funding requests and the approaching end of the state fiscal year, only those full applications received on or before March 13 will be considered for funding during fiscal year 2009. This deadline will allow staff to seek the necessary approvals from the Development Finance Advisory Council and the Controlling Board by the end of May. Any applications received after the March 13 deadline will be considered for the fiscal year 2010 funding allocation.

Amtrak 3-C Service: Amtrak reported last week that their work is moving smoothly. Amtrak has notified the railroads of their work and they have been in the field conducting their preliminary reviews. Although they have not conducted any modeling yet, at this point they are still confident in the August delivery. Lou and Don continue their work meeting with communities on station sites.

State Rail Plan: Upon a request by Commissioner Bennett as Chair of the Economic Development Subcommittee, ODOT has agreed to provide both funding assistance and staff assistance to the ORDC for the development a State Rail Plan. ORDC staff is currently working with ODOT to develop the scope of the project.

MEMORANDUM
March 5, 2009

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from January 8, 2009 to March 5, 2009:

1. **Financial Statements.** Staff will provide statements to reflect current outstanding loans, revenue collection, and project balances at the March meeting.

2. **Budget Reductions.** The Fiscal Year 2009 budget situation appears to be holding steady. We are maintaining our commitment to minimizing operating expenses in order to maximize the grant budget.

3. **Passenger Rail Expert RFP.** ORDC issued a Request for Proposals from individuals or firms interested in providing expert advice to ORDC in regards to passenger rail planning and implementation. We received nearly a dozen proposals and are in the process of evaluating them to make a selection. The selected firm will perform individual tasks as they are identified and defined.

4. **ORDC Staffing Updates.** We are in the process of hiring a second college intern, this one a planning student who can assist with planning-related activities. We conducted initial interviews but decided to restructure the position so that the intern can perform a variety of tasks, as needed, that relate to both freight and passenger development. The revised position description has been approved and ODOT will be posting the opening and recruiting applicants from local colleges and universities.

5. **Greater Ohio Ethanol.** ORDC loan recipient Greater Ohio Ethanol in Lima filed for Chapter 11 bankruptcy in October. The original loan amount was $1 million and approximately $107,000 was repaid prior to the filing. ORDC is a secured creditor, with a first position on the on-site rail infrastructure and a claim on the per car rebate provided by the rail carrier, however due to the bankruptcy, we are in no better position than the banks who are owed approximately $90 million. The plant ceased operations in November and after several attempts the plant was sold for an initial payment of $5.75 million and an additional unsecured note of $15 million to be repaid in future years. ORDC will receive a share of the $5 million (after certain expenses related to the bankruptcy proceedings are paid), but not any of the additional note. ORDC sought to be a recipient of the note proceeds as well, but the banks would have insisted (and we believe the court would have agreed) that ORDC pay a proportional share of the banks' legal fees up front. Staff felt there was a significant risk that the amount of legal fees could be more than the amount that may end up eventually being paid under the note. ORDC legal counsel Alan Klodell is continuing to monitor the situation and provide updates to staff.

6. **2010-2011 Budget.** Staff has been busy presenting ORDC's FY 2010-2011 budget to the Ohio Legislature. A current update will be provided at the March meeting.

OHIO RAIL DEVELOPMENT COMMISSION: March 2009 Finance Report

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		2,696,356
LESS: BUDGET REDUCTION (net)		(143,405)
LESS: PROJECTS ENCUMBERED or DISBURSED		
Ashland Railway Bridge Deck Rehabilitation	50,000	
Camp Chase Rehabilitation, Phase III	100,000	
Columbus & Ohio River Railroad Marne Bridge	4,000	
I&O Blue Ash Rehabilitation	251,449	
MAW Defiance Yard & Track Rehabilitation	225,000	
Ohio Operation Lifesaver	1,300	
Ohi-Rail Bridge Repairs, Phase II	25,000	
RJ Corman Bridge & Track Rehabilitation	163,070	
TMACOG 2008 Freight Conference	2,500	
Warren & Trumbull Railroad/Warren Steel Holdings	300,000	
WESTCO Port Authority Track Rehabilitation	200,000	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
Case Farms	55,000	
Lawrence County Port Authority	80,000	
W&LE Akron Sub Crossing Safety Improvements	175,000	
LESS: PROPOSED GRF COMMITMENTS FOR FY 2009		
Columbus & Ohio River Railroad Newark to Mt Vernon	350,000	
I&O Midland Subdivision	230,000	
City of Greenfield/Midland City to Greenfield	210,000	
Ohi-Rail Minerva Tie Improvements	16,000	
FRA Planning Grant/State Match	62,500	
TOTAL	*2,500,819*	*-2,500,819*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***52,132***

RAIL FUND 4N40 - REVOLVING LOAN FUND	Uses of funds	Spending Authority	Cash
Cash Balance as of 3/2/09			4,979,010
LESS: OPEN ENCUMBRANCES	1,972,420		
LESS: PANHANDLE RESERVE FUND	763,700		
TOTAL	*2,736,120*		*-2,736,120*
FISCAL YEAR 2009 APPROPRIATION		2,111,500	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	184,336		
LESS: PROJECTS ENCUMBERED or DISBURSED			
Lancaster Port Authority/US Corrugated	145,163		
Maumee and Western Hot Starts	90,000		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
WESTCO Port Authority Track Rehabilitation	400,000		
LESS: PROPOSED LOAN COMMITMENTS FOR FY 2009			
TOTAL	*819,499*	*-819,499*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***1,292,001***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***131,390***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2009 Project Balance Summary

Remaining GRF Appropriation for Projects	52,132
Remaining 4N40 Appropriation for Projects	1,292,001
Balance of ORDC Appropriations for Projects	**1,344,133**

ACCOMPLISHMENTS REPORT
PLANNING AND PROJECT DEVELOPMENT
January 8 to March 4, 2009

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

FIELD & TRACK INSPECTION

- Field inspections of proposed Dayton, Riverside/Fairborn, Springfield, Berea, Brookpark, and Galion Amtrak station sites.
- Field inspection of Oasis Line for possible Amtrak use & for future freight rehab project.
- Field inspection of new track ORDC built at Warrenton Terminal using steel ties.
- Field inspection of "orphan" SR 79 crossing off Hebron Branch of Panhandle.

ADMINISTRATIVE

- Helped write budget testimony for Rehabilitation and Economic Development Programs; attended budget hearings.
- Continued staffing new Commission sub-committee on the Panhandle lease
- Helped prepare agendas and briefing packets for March 12, 2009 meeting including 3 project briefings and 1 approved project briefing.
- Continued updating contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for projects approved at January meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on various grant recipients.
- Don Damron has taken over as ORDC Webmaster and continues to update our site.

TRAINING

- No activity.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Continued discussions about getting the rail line from Powhatan Point to Omal reopened for a newly located steel fabricating company as well as a major aluminum plant.
- Continued helping rail users on the Midland City to Greenfield line address issues about how future rail service will be structured on the marginally profitable branchline.
- Investigated new & ongoing spur projects on Mt. Vernon Line.
- Continued to monitor progress of Warren Steel project; **the W&TRR work is almost complete and Warren Steel has shipped several steel cars out!**
- Continued working with City of Jackson, Jackson County Economic Development, US Rail, ODOD and others on raising funds for Phase II of Jackson Line rehabilitation and revising the current scope of work to add a bridge and tunnel.

FY 2009 Track Rehabilitation Program:

- Finished up the project development for the I&O Midland Sub, the Greenfield Line, the CUOH Mt. Vernon Line, and the Ohi-Rail Minerva area project for presentation on March 12..

Diesel Emissions Reduction Grant (DERG) Program

- Continued coordinating with grantees on getting ORDC – RR Grant Agreement for W&LE, Cleveland Commercial RR, and I&ORY project agreements executed.
- Worked with ODOT and FHWA to determine CMAQ allowable costs for new locomotive procurement, i.e. 60% of locomotive costs.
- Helped set up internal ORDC processes for administering DERG Program.
- Notified Ohio railroads in non-attainment areas of Phase II of DERG Program.

Governor's Logistics Program:

- Detailed review of Letters of Intent for: Deboi, Zanesville-Muskingum Port Authority, CSX Gateway, NS/Toledo Airline Yard, Franklin County Rickenbacker, Ashland Railway Transload, Marion Connector, Marion Intermodal Center, NS Rickenbacker, Toledo, Lucas County Port Authority, First Interstate, Pizzuti, Lawrence County, & Truckman project proposals.
- Participated in meetings and follow up conference calls on Marion Connector, Marion Intermodal, Bluegrass Soy Export, Queensgate (Dave Martin) Intermodal, Cleveland Port Authority, Hardin County (Jim Jacobs) Transload/Wind Power Logistics Staging & Franklin Transload project proposals.
- Participated in scoring meetings for Columbiana County Port Authority project.

PASSENGER PLANNING

Ohio Hub

- Continued working on efforts to obtain federal earmarks for the PEIS. Refining PEIS scope. Don Damron and Stu Nicholson continue to provide information to various Congressional offices and to fill out project funding requests.
- Finalized Scope of Work for FRA/ORDC funded study of station locations and other issues for 3C Corridor high speed service.
- Continued work and coordination with other states and railroads on Ohio Hub Study, especially on the Pittsburgh to Cleveland Corridor to examine getting it a federal HSR designation.
- Presentation to 4th Congressional Regional Task Force.
- Continued with various meetings and presentations on Ohio Hub plan.

Amtrak /3C Corridor Investigations

- Coordinated with ODOT on RFP for the detailed "RTC" modeling needed to assess capacity needs on the 3C route so that capital improvements can be identified. Selected Woodside as RTC modeler.
- Developed short term "to do" list for ORDC actions to be taken in the next 6 months.
- Started follow up work on station locations getting more details on proposed sites.

Conducted meeting in Cincinnati, Dayton, Springfield, Berea, Riverside, and Galion.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort by participating in meetings and calls.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.
- Actively participated in Midwest Governor's Association Transportation Policy Statement formulation in coordination with ODOT.

OTHER PLANNING INITIATIVES

Panhandle Lease Sub-Committee: No activity

Miscellaneous:

- Developed comprehensive list of corrections for the next Ohio Rail Map and coordinated with ODOT. ODOT in process of making corrections.

MISCELLANEOUS

- ***SCORT:*** Preparations for Washington DC meeting and conference calls to set agenda for September meeting in Oklahoma City.
- ***Liability Task Force:*** No activity.
- ***Glass Rock Branch:*** Continued helping with oversight of Z&W efforts to get excursion services going on ORDC owned line.

SAFETY

- Manned Operation Lifesaver booth at Columbus children's event.

WPDOCS/AccomplishmentsCommission

PROJECT BRIEFING
FRA Planning Grant: Amtrak/Ohio Hub Start-up
Cleveland-Columbus-Dayton-Cincinnati Planning and Alternatives Analysis
March 10, 2009

Project Costs		Project Benefits
ORDC	**$62,500**	**Results in a Pre-NEPA planning document**
FRA	**$62,500**	**Draft Purpose and Need Statement**
ODOT (SPR)	**Up to $200,000**	**Informs NEPA and FRA Programmatic Actions:**
		* **Selection of Program & Operating Concepts**
		* **Selection of Route and Alignments**
		* **Selection of Station Locations**
		Moves 3C closer to being "federal funding ready"

INTRODUCTION

On February 19, 2008, the Federal Railroad Administration issued a Notice of Funding Availability (NOFA) for the Capital Assistance to States – Intercity Passenger Rail Service Program. In response, ORDC submitted a planning grant application for funding the analysis of alternative routes and station locations for Ohio's Cleveland-Columbus-Dayton-Cincinnati (3c) passenger rail corridor. The FRA staff reviewed the application for eligibility and selected the State of Ohio for an award of $62,500 for this Project. The funding share is 50% federal and 50% state; ORDC's share is $62,500. The Statement of Work and the Planning Grant Contract have been received from the FRA and are ready to be executed.

The primary planning objective is to advance the consideration of alternatives for high speed passenger rail service. Preferred routes and station locations will be considered and identified, especially as they relate to the current efforts to establish conventional passenger rail service. The project will support the State initiative to startup Amtrak service by advancing the long-term planning, environmental and project development requirements. This will help to align short-term actions with the long-term needs and will help clarify a corridor development strategy and a long-term corridor investment plan.

PROJECT DESCRIPTION

As stated in the Federal Register, the primary purpose of the FRA funded planning work is to "*lead to a programmatic Environmental Impact Statement for the purpose of route selection.*" This work will result in a "pre-NEPA" planning document that defines a preferred route alternative in a National Environmental Policy Act (NEPA) compliant process. With this goal in mind, ORDC and ODOT's Office of Environmental Services (OES) have discussed the FRA requirements and have recommended moving this planning process forward under an OES Task Order Contract. OES contacted PB America, Inc., a pre-qualified company on the list of approved firms, and requested that they respond to the Statement of Work by submitting a Price Proposal.

A Price Proposal was submitted by PB Americas Inc. and reviewed by both ORDC and OES; the final Price was negotiated by OES, the maximum limit was set at $325,000 which was agreed to by PB Americas Inc. OES and ORDC are prepared to give PB America Inc. the go-ahead to initiate work. OES will administer the environmental Task Order Contract which will be subject to careful monitoring and controls. ORDC will manage the project planning and analysis activities and will review the deliverables and technical memorandum. PB Americas will require a Notice to Proceed prior to initiating any work tasks.

The total cost of the planning work is a maximum of $325,000; together, ORDC and the FRA will fund $125,000, and ODOT has offered to cover the difference of $200,000 by using State Transportation Planning and Research Program Funds. The planning study will be completed in six months.

BACKGROUND

When Congress appropriated $30 million (FY08) for the Capital Assistance to States – Intercity Passenger Rail Service Program, it allowed up to ten percent ($3 million) "to be used for planning activities that lead directly to the development of a passenger rail corridor investment plan." The April 18, 2008 Federal Register provided clarification on eligible planning projects:

> *"Only proposed planning projects which lead to: 1) "a programmatic Environmental Impact Statement for the purpose of route selection; and/or 2) a corridor transportation plan prepared in accordance with the methodologies set forth in FRA's publication, entitled "Railroad Corridor Transportation Plans: A Guidance Manual, will be considered for funding...".*

The FRA requires a Programmatic or Program EIS be prepared when *programmatic actions* are being considered, including 1) the selection of routes and preliminary alignments, and 2) the selection of operating concepts and potential stations. The FRA has stated that the goal for the 3C planning and alternatives analysis is to define a preferred alternative in a NEPA compliant planning process resulting in pre-NEPA documents that lead directly into a *programmatic Environmental Impact Statement*.

FRA Staff have suggested that route selection is one of the most sensitive issues surrounding intercity passenger rail corridor development and unresolved decisions regarding route selection have effectively stalled the development of many corridors.

In its letter to ORDC dated October 11, 2000, the U.S. Transportation Secretary Rodney E. Slater Federally designated the high speed rail corridor between Cleveland, Columbus, Dayton, and Cincinnati. The letter states that the route should be considered flexible and that the corridor "would not necessarily be served by the presumptive alignment." The FRA suggests that "the designation should be understood as applying broadly to the Cleveland-Columbus-Dayton-Cincinnati regions, including all their alternative routes and corresponding Metropolitan Statistical Areas and Consolidated Metropolitan Statistical Areas – and not exclusively to any particular routing."

The FRA understands that Ohio has not selected a route for the 3C corridor. The challenge before ORDC is to move the planning forward to help inform the decisions to select the route for the 3C Amtrak Start-up service and to select a route for the long-term development of the Ohio Hub higher-speed, higher frequency passenger rail services. FRA has expressed a preference for investing in projects for the start-up service that may also have utility for the higher-speed Ohio Hub service.

BRIEF DESCRIPTION OF PROJECT WORK TASKS

The proposed work tasks outlined in the Amtrak/Ohio Hub Startup Alternative Analysis - Statement of Work are briefly described below:

> **Work Task #1:** Includes three primary work elements: 1) the development of a Program Management Plan (PMP) and a stakeholder communication plan, 2) the development of a ridership and revenue forecasting recommendation; and 3) the assessment of analytic needs including a recommendation for corridor capacity analysis.

Work Task #2: Will result in one-day workshop with all major stakeholders and will focus on the development of a Draft Purpose and Need Statement for the Amtrak Startup and Ohio Hub Cleveland-Columbus-Dayton-Cincinnati corridor.

Work Task #3: Will focus on the analysis of routes and station locations including the evaluation of the ORDC staff analysis of 33 routes, field investigations, the development of operating plans, and the evaluation of station locations. Task 3 will also advance train performance calculations for the alternative routes, advance the development of the infrastructure plan and capital costs and the ridership, revenue, financial and economic analysis and economic impact of the alternatives. Task 3 will result in the recommendation of 3C route alternatives.

Work Task #4: If needed, Work Task #4 will provide oversight and review of the 3C corridor train operating model and simulation for the Amtrak Start-up Service.

Work Task #5: Provides for the basic project management activities and quality assurance and quality controls for the project.

WHY ORDC FUNDING IS NEEDED

ORDC's goal for the 3C corridor work is to have a funding ready program of capacity improvement projects. Funding the FRA planning grant and moving this work forward will be a substantial step toward this goal. The planning and alternatives analysis will significantly advance the 3C corridor environmental and project development process and will serve to move the 3C corridor closer to readiness for federal funds.

This planning effort is one of many needed steps that will lead to a 3C passenger rail corridor investment plan. While the Amtrak Start-up service planning will result in a short-term capital plan, the FRA has suggested that long-term planning and project development documents will be needed. FRA staff have suggested that all of the following documents will likely be needed to define the long-term 3C rail corridor capital investment plan and advance the corridor through the NEPA environmental and project development process:

- Programmatic Environmental Impact Statements
- Project-level Environmental Impact Statements
- Rail Corridor Transportation Plan
- Preliminary Engineering
- State Rail Plan
- Agreements with the host railroad carriers

With Commission approval, ORDC will work cooperatively with ODOT to engage PB Americas in the described planning activities by using the FRA-awarded funds ($62,500) and state General Revenue Fund matching dollars in the same amount.

RESOLUTION 09-12

RE: FEDERAL RAILROAD ADMINISTRATION ("FRA") PLANNING GRANT: *AMTRAK/OHIO HUB* START-UP CLEVELAND COLUMBUS DAYTON-CINCINNATI PLANNING AND ALTERNATIVES ANALYSIS

A RESOLUTION TO BE THE RECIPIENT OF A FRA PLANNING GRANT UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration: to be the recipient of a FRA $62,500 planning grant for funding the analysis of alternative routes and station locations for Ohio's Cleveland-Columbus-Dayton-Cincinnati (3c) passenger rail corridor and to expend a matching amount of $62,500 of ORDC's monies.

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(10)) in accordance with any federal law or program concerning rail transportation ;and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC to serve as the recipient of the above-described grant and to expend matching monies of $62,500.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 3/12/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/12/2009
Thomas McOwen, Vice-Chair Date

PROJECT BRIEFING
TIE WORK ON COLUMBUS & OHIO RIVER RAILROAD
NEWARK TO MT. VERNON LINE

March 4, 2009

Project Costs		Project Benefits
* ORDC Grant	$350,000	* Safety Ties For Continued Operation
* Ohio Central Funds	$200,000	* Helps Rail-Dependent Shippers Employing 205

INTRODUCTION: The Columbus & Ohio River Railroad (CUOH) requests a grant of $350,000 to purchase and install approximately7,333 cross ties which are needed to conduct safety tie work this year on its 25.9 mile long Newark to Mt. Vernon rail line. CUOH would contribute $200,000 toward the project.

BACKGROUND

Line Description: CUOH leases the Newark to Mt. Vernon Line from CSX. It took over operations on this line in October, 2004 in conjunction with its lease of the CSX line from Newark to Cambridge, and its acquisition of the 50% share which CSX had owned in the Columbus to Newark line. (For all intents and purposes, the State or Ohio/Ohio Rail Development Commission is the owner of the other 50% of this Columbus to Newark line which is part of the so-called "Panhandle" line.) A map of the Ohio Central lines in eastern Ohio, including the Panhandle line, is included herein as Exhibit "A".

While the Mt. Vernon line itself connects only to the CUOH Yard in Newark, the Ohio Central System in eastern Ohio, including its operations on the Panhandle, allows traffic coming to or from the Mt. Vernon line to be handled through a variety of Ohio Central interchanges with Norfolk Southern, CSX, RJ Corman, and the Wheeling & Lake Erie Railway.

The Mt. Vernon line is 25.9 miles long, with MP 0.0 at Newark Yard and MP 25.9 at the end of the line in Mt. Vernon. The rail on the line is almost entirely 100 lb. and was installed in the late 1920's and late 1940's. About 5 miles of the rail is welded. The rails are in safe and acceptable condition as are the bridges. The last major tie program on the Mt. Vernon Line before CUOH took over operations occurred in 1982.

Because the line parallels State Route 13 for a long distance, there are 31 private crossings, many of which are driveways into homes, businesses, and new developments. Many private crossings also need to be upgraded for both track and road conditions. Overall, track is generally in "Excepted" to FRA Class I condition with train speeds below 10 MPH.

Operations: The rail users that were on the line in 2004 when CUOH took over operations were International Paper/Weyerhaeuser (paper rolls, pulp) which is located about MP 23 in Mt. Vernon, and Central Ohio Farmers Cooperative (grain and fertilizer) located at about MP 25, also in Mt. Vernon. These two companies remain as the major line users. Recently, however, CUOH has garnered two new customers on the line, B&B Farm Services and Mauser Corporation. B&B is located in Fredericktown and is served by a CUOH transload for fertilizer in Mt. Vernon. Mauser is a Mt. Vernon company that produces plastic containers. Over the last three years, the Mt. Vernon line has averaged 1,869 carloads of freight a year. CUOH serves Mt. Vernon 3 times weekly.

Viability: Currently, CUOH operations over the Mt. Vernon line are at about break even, with CUOH showing small losses for 2006 and 2007 but a small profit for 2008. CUOH maintenance and track investment in the line far exceeds the profits generated on the line. The current major rail users have increased rail traffic (International Paper/Weyerhaeuser) and invested in rail loading equipment (a $500,000 investment by Central Ohio Farmers in 2007). Further, the line serves a developed industrial park, as well as several other industrial sites, in Mt. Vernon.

Recent Projects: In 2007, ORDC conducted a safety tie project with the CUOH. ORDC provided $200,000 in grant funds to buy 6,000 cross ties and 126 switch timbers. CUOH matched this ORDC grant with the labor and materials needed to install the ties and switch timber, a value of over $207,000.

Also in 2007, the Ohio Department of Development (ODOD) provided $1.7 million in 629 Roadwork Development funding to replace the crossing surfaces in virtually every one of the 48 public crossing along the 25 mile long line. ORDC's Grade Crossing Safety Section administered the crossing project for ODOD.

PROJECT DESCRIPTION

Comprehensive Needs: Years of deferred maintenance by CSX left the line in need of a comprehensive track rehabilitation project (or projects). In 2007, ORDC retained an outside consultant to perform a needs analysis for the line. A breakdown of the ORDC estimate is provided below.

2007 ORDC Estimate of Comprehensive Repair Needs*

Cross Tie Replacement	**31,400 ties**	**$58/tie**	**$1,821,200**
Switch Tie Replacement	**264 ties**	**$135/tie**	**$35,640**
Road Crossing Upgrades (High)	**620 feet**	**$900/ft.**	**$558,000**
Road Crossing Upgrades (Low)	**600 feet**	**$750/ft.**	**$450,000**
Ballast	**21,400 tons**	**$18/ton**	**$385,200**
Surfacing	**25.9 miles**	**$3,100 mi.**	**$80,290**
Bolt Tightening	**5,948 joints**	**$18/joint**	**$107,064**
Ditching	**5 miles**	**$11,880/mi.**	**$59,400**
Total			**$3,496,794**

***Note Costs Reflect 2007 Prices**

The ODOD grade crossing project has taken care of the road crossing issues. The CUOH has done some work in other areas but the economics of the line are not such as to warrant a major track rehabilitation project with railroad funds. CUOH projects that up to 50,000 ties, or two-thirds of ties on the line, should be replaced in the upcoming years instead of the ORDC recommendation of 31,400. The 2007 and proposed 2009 tie projects would reduce overall tie needs on the line by about 14,000 ties.

Immediate Needs: CUOH officials project derailments and other operational problems will start occurring if current tie conditions on the Mt. Vernon line are not addressed immediately. ORDC Staff believes that the approximately 7,333 ties called for in the proposed rehabilitation project should help continue safe operations on the Mt. Vernon Line in the short term but recognizes that more tie and surface work is needed every year to make a significant progress in the backlog of needed track repairs.

CUOH estimates that it can purchase and install new, grade, 7" X 9" cross ties for $75 apiece. Therefore, the cost of 7,333 cross ties would be:

7,333 Cross Ties X $75/tie = $549,975

The installation of ties will be fairly evenly distributed across the entire line to help support rail joints, keep proper gage, support heavy loads, and prevent derailments. CUOH has not yet decided if it will perform the work with its labor and equipment or seek competitive bids from contractors. CUOH will be responsible for continued maintenance of the tie project and will continue to upgrade the line with its forces as funding permits.

ORDC Staff recognizes that the proposed project does not meet all of the needs of the Mt. Vernon Line. Staff expects that CUOH will request funding assistance for the line in future years.

WHY ORDC FUNDING IS NEEDED

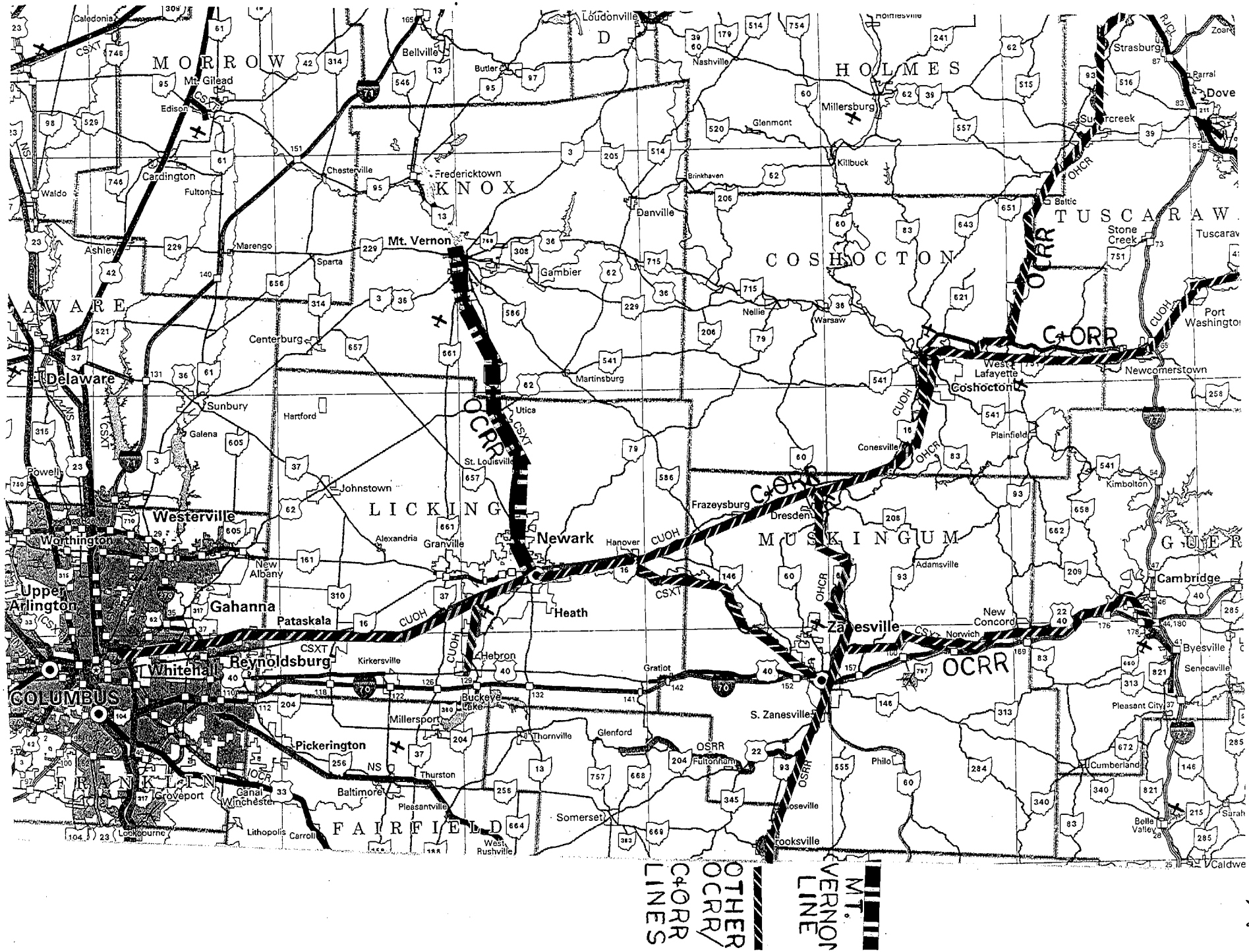
The revenues on the line do not support major investment in the track by the CUOH.

PROJECT BENEFITS

- Current rail users employing approximately 205 are dependent on rail for their future viability.
- The safety of the OCRR operations will be markedly improved because of the new cross tie installation.

OTHER CONTRIBUTIONS

- The OCRR will contribute $200,000 toward the project.
- The Central Ohio Farmers Cooperative has invested approximately $500,000 to increase the speed of its rail loading at Mt. Vernon.


N
MORROW
KNOX
HOLMES
COSHOCTON
TUSCARAW
DELAWARE
LICKING
MUSKINGUM
FRANKLIN
FAIRFIELD
Mt. Vernon
Newark
Zanesville
COLUMBUS
Westerville
Gahanna
Reynoldsburg
Whitehall
Pickerington
Upper Arlington
Worthington
Delaware
Cambridge
Coshocton
Heath
Hebron
Buckeye Lake
Millersport
Baltimore
Pataskala
Granville
Johnstown
Sunbury
Centerburg
Mt. Gilead
Bellville
Loudonville
Millersburg
Killbuck
Danville
Gambier
Frazeysburg
Dresden
Conesville
Roseville
Somerset
Crooksville
Lancaster
OCRR
C&ORR
CUOH
OHCR
CSXT
NS
OSRR
OTHER OCRR C&ORR LINES
MT. VERNON LINE

RESOLUTION 09-09

RE: COLUMBUS & OHIO RIVER RAILROAD NEWARK TO MT. VERNON LINE REHABILITATION GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE COLUMBUS & OHIO RIVER RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Columbus & Ohio River Railroad (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	____	no	____	absent	____	abstained	____ recused
Jolene Molitoris	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 3/12/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

Thomas McOwen, Vice-Chair 3/12/2009
Date

EXHIBIT A

A grant in an amount of up to Three Hundred Fifty Thousand Dollars ($350,000) (the "ORDC Grant") for the purpose of purchasing and installing approximately 7,333 ties and related work on its 25.9 mile long Newark to Mt. Vernon rail line (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in the Counties of Licking and Knox, Ohio.

The ORDC Grant is subject to the following condition:

The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

PROJECT BRIEFING
INDIANA & OHIO RAILWAY MIDLAND SUBDIVISION REHABILITATION

March 4, 2009

Project Costs	
ORDC Grant	**Up To $230,000**
I&ORY Funding	**$230,000**

Project Benefits

Eliminates Slow Orders
Facilitates Unit Grain Train Interchange
Reduces Operating Costs on Marginal Line
Helps 4 Businesses Employing 115 People

INTRODUCTION: The Indiana & Ohio Railway (I&ORY) sought ORDC funding assistance of up to $303,188 to match $303,188 I&ORY would invest in the rehabilitation of a portion of its Midland Subdivision Line from MP 87 (near Haynes Siding just south of Mt. Sterling in Fayette County) to MP 98 (at Darby in Pickaway County) as well as the rebuilding of three grade crossings in Grove City (Grove City Road MP 107.7, Grant Street (MP 107.8), and Park Avenue (MP 107.9), Franklin County). ORDC Staff recommends providing up to $230,000 in grant funding to be matched dollar for dollar or more by the I&ORY for the entire grade crossing renewal project in Grove City and a portion of the track rehabilitation work between MP 87 and MP 98.

BACKGROUND:

Service Characteristics on the North End of the Midland Line: I&ORY has had a long term lease with CSX on the Midland Subdivision Line from Columbus to Cincinnati since 2004. I&ORY has all maintenance responsibilities and serves all on line customers.

I&ORY interchanges traffic from the Midland Sub in Cincinnati with either CSX or NS, or utilizes other I&ORY and RailAmerica (I&ORY's parent company) connections to interchange with Canadian National, CSX, NS, and other railroads at a variety of locations. I&ORY cannot access CSX' Parson's Yard (or Norfolk Southern's (NS) Buckeye Yard) in Columbus because I&ORY lacks trackage rights over about 1,800 feet of NS track in Columbus. CSX did not provide these rights to I&ORY as part of the long term lease arrangement (CSX does have rights over this 1,800 ft. it uses for its Columbus operation) and NS has insufficient economic reason to providing such rights to I&ORY. The map included as Exhibit "A" shows the Midland Sub line and some of its connections.

The lack of a Columbus interchange presents problems for I&ORY. The north end of the line is in effect a stub end brachline with the north end shippers generally being over 100 miles away from their Cincinnati interchanges for most traffic. This results in higher costs for I&ORY operations to serve north end shippers. As a result, the north end branchline is marginally viable in terms of on line traffic.

Besides the customers on the line, the section of track from the northern terminus in Columbus at about MP 113 to Haynes Siding at MP 87 is important to I&ORY because Haynes Siding serves as the interchange point for unit grain trains originating on the Midland line, other RailAmerica owned lines, and the West Central Ohio Port Authority (WESTCO) owned lines which I&ORY serves. Although I&ORY has other places to interchange unit grain trains, the Haynes Siding interchange is in many instances better for both the railroad and the grain elevators. In 2008, I&ORY used the Haynes Siding to interchange 114 unit trains with CSX. CSX uses its rights over NS trackage in Columbus to send crews from Parsons Yard to Haynes Siding to pick up full grain trains and to deliver empty cars to fill.

North End Customers: I&ORY serves four rail users on, or north of, the section of track for which the proposed track work would be done. It serves Ashland Plastics (plastics, MP 108.9), Derby Grain (grain and fertilizer, MP 97.9), Wincup (plastics, MP 93.4), and Crop Production (fertilizer, MP 89.4). These businesses employ 115 people. Over the last three years, these rail users have generated an average of 551 carloads a year.

North End Track Conditions: The rail on the north end of the line is112 lb., 115 lb., and 132 lb. welded rail and is in good condition. The last major tie program for the north end of the line was in 1996. There are slow orders on the track between MP 87 and MP 98 which result in increased operational costs. The crossings in Grove City at Grove City Road, Grant Street, and Park Avenue, all in Grove City, have been in need of repair from the road side perspective for several years and have been a point of contention between the railroad and local officials.

PROJECT DESCRIPTION

The total project proposed by I&ORY is as follows:

North End Midland Subdivision Rehabilitation Costs

Item	Unit Cost	Total Cost
5,500 ties	**$61.35**	**$337,425**
220 Kegs, Spikes	**$75.00**	**$16,500**
Surface 6 Switches	**$1,500.00**	**$9,000**
Surface 58,080 ft. Trk, 1" Raise	**$1.25**	**$72,600**
3,300 Tons, Ballast	**$8.00**	**$26,400**
3,300 Tons, Ballast Unloading	**$1.50**	**$4,950**
104 Ft. New Crossing, Rail Seal	**$1,250.00**	**$130,000**
3 Days, Work Train	**$1,500.00**	**$4,500**
Mobilization		**$5,000**
Total		**$606,375**

I&ORY would bid out work from this list of work items that would equal the ORDC share matched dollar for dollar by I&ORY. I&ORY would be responsible for continued maintenance of the project.

WHY ORDC FUNDING IS NEEDED

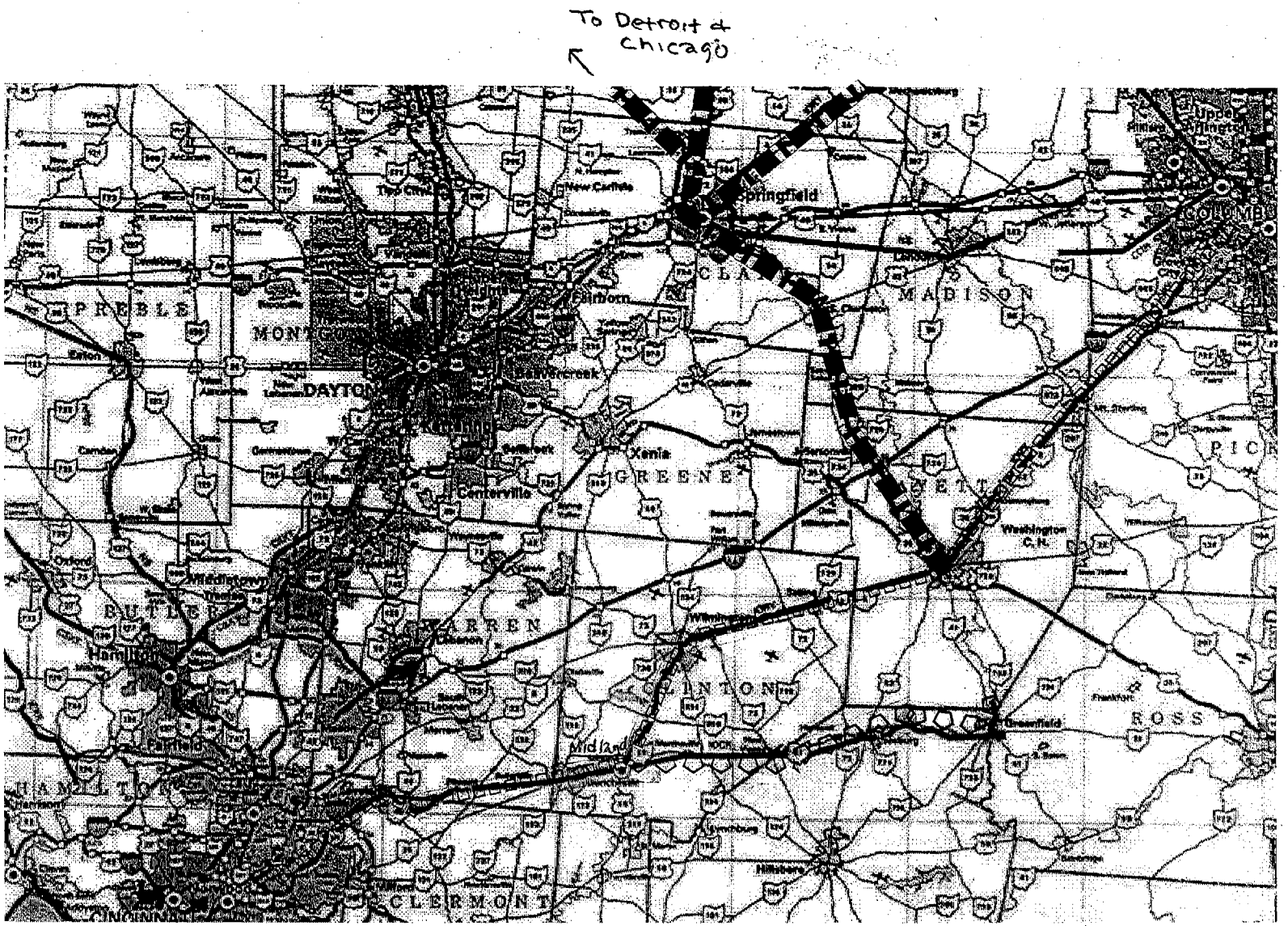
The branchline economics of the north end of the line do not justify the entirety of the needed track and crossing work. Much of this work, especially the crossing work, would not be done without ORDC assistance.

PROJECT BENEFITS

- Four rail users employing 115 people will have better, more cost effective service.
- I&ORY operating costs will be reduced by about $28,000 a year.
- Unit grain train shippers from western Ohio retain an effective interchange with CSX in Columbus for hundreds of unit trains annually.

SPECIAL CONTINGENCIES

ORDC Staff will use this rehabilitation project as the vehicle to funnel any funds remaining at the end of the fiscal year. The actual amount of funding for the project will depend on the end of the year closing out of accounts but will not exceed $230,000 unless ORDC Staff requests permission of ORDC Commissioners. The amount of funding for this project could be less than $230,000.


To Detroit & Chicago
Springfield
MADISON
PREBLE
DAYTON
Xenia
GREENE
Centerville
Washington C.H.
BUTLER
WARREN
CLINTON
Midland
ROSS
CLERMONT
Midland City to Greenfield
I+OR4 Midland Sub
Other I+OR4 Lines

RESOLUTION 09-10
RE: INDIANA & OHIO RAILWAY MIDLAND SUBDIVISION REHABILITATION GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE INDIANA & OHIO RAILWAY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Indiana & Ohio Railway (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	____	abstained	____ recused
Jolene Molitoris	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 3/12/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/12/2009
Thomas McOwen, Vice-Chair Date

EXHIBIT A

A grant in an amount of up to Two Hundred Thirty Thousand Dollars ($230,000) (the "ORDC Grant") for the purpose of rehabilitating a portion of its Midland Subdivision Line from MP 87 (near Haynes Siding just south of Mt. Sterling in Fayette County) to MP 98 (at Darby in Pickaway County) as well as the rebuilding of three grade crossings in Grove City (Grove City Road MP 107.7, Grant Street (MP 107.8), and Park Avenue (MP 107.9), Franklin County) (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in the Counties of Franklin and Fayette, Ohio.

The ORDC Grant is subject to the following condition:

The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

PROJECT BRIEFING: CITY OF GREENFIELD, MIDLAND CITY TO GREENFIELD LINE REHABILITATION

March 4, 2009

Project Costs	
ORDC Grant	**$210,000**
Greenfield Funds	**$50,000**

Project Benefits

Helps Preserve Rail Service to 3 Companies
Helps Preserve 1,044 Rail-Dependent Jobs
Removes Slow Orders; Improves Efficiency

INTRODUCTION: The City of Greenfield requests a grant from ORDC of $210,000 for the rehabilitation of select portions of the 29.5 mile long Midland City to Greenfield Line. The work will include tie replacement, switch tie replacement, surfacing, and related work. The City will provide $50,000 toward the total project costs.

BACKGROUND:

Brief History of the Line: The Midland City to Greenfield Line was formerly part of the CSX Transportation east coast to St. Louis mainline. In the early 1980's, CSX discontinued using most of the Ohio portion of this line as mainline track, abandoning some portions, and operating others as branchlines. In 1987, CSX filed to abandon the 29.5 miles of branchline operations between Midland City and Greenfield because it was losing money. At that time, the major shippers were two grain elevators, Packaging Resources, and Johnson Controls; Candle-lite had a small facility in Leesburg along the line but was not using rail service. Because the line had recently been a mainline with heavy, welded rail, the net liquidation value of the 29.5 miles of track was high, $2,400,000.

The shippers and prospective shippers along the line formed the Greenfield Shippers Association (GSA) to preserve the line. The Ohio Department of Transportation, Division of Rail (ODOT Rail) worked with the GSA, the City of Greenfield, and the fledgling Indiana & Ohio Railroad (I&O) to save the line from being torn up. ODOT Rail provided $1,341,966 in Federal Railroad Administration funds and $346,034 in State funds to the City of Greenfield to help it to acquire the line. The GSA and I&O provided $712,000 toward the purchase. The City has owned and the I&O has operated the line under a lease with the City since the City purchased the line in 1988.

Initially, the Greenfield Line connected to the CSX Midland Subdivision Line between Columbus and Cincinnati. In October, 2004, RailAmerica, the parent company of the I&O, obtained a long term lease for the Midland Sub from CSX. The Greenfield Line now has direct access via I&O and RailAmerica lines to interchange traffic in Cincinnati and various other connecting points on the CSX, Norfolk Southern, and Canadian National. A map of the southwest Ohio area is included as Exhibit "A".

Initially, the grain traffic provided the base for rail operations. However, grain traffic diverted to trucks to local consumers or to the Ohio River to be loaded on barges. The traffic generated by Candle-lite (inbound paraffin) helped replace the grain traffic as Candle-lite grew from a small company with a few dozen employees to a sizable manufacturing concern which now employs about 500 people. Packaging Resources (in New Vienna) was acquired by Hutamaki and currently employs about 320 people. It receives inbound plastics via rail. Johnson Controls in Greenfield employs about 222 people and receives hazmat chemicals used to product foam products.

Current Situation: Traffic on the Greenfield Line has dropped off in recent years. In 2004, the line generated 867 carloads of traffic and in 2005 traffic volumes rose to 922. However in 2006 traffic dropped to 621 cars. In 2007 traffic totaled 552 cars and in 2008 traffic totaled 542 cars.

With the drop off in traffic, the profitability of the Greenfield Line operations declined. The City's lease with the I&O ended in 2008 and is being renewed under vastly different terms. The City is taking over responsibility for line maintenance. To pay the City's expenses, the shippers along the line will pay the City $60 for every carload they ship or receive. In addition, the I&O will also pay the City $60 for every car it handles. The City has a railroad reserve fund of $174,000 available for select projects. The City's railroad account was funded by I&O lease payments to the City in past years. I&O will now make per car payments to the City instead of annual lease payments.

The condition of the Greenfield Line is generally good with track speeds generally at 25 MPH. There are, however, slow orders along the track, as well as the upcoming need for the rehabilitation of several bridges.

PROJECT DESCRIPTION: The proposed project consists of what the City, GSA, and I&O consider the most needed repairs on the line at present. It should be noted that bridge repairs are also needed in the next year or two and that the City will seek the help of ORDC and others for funding for bridge repairs. ORDC Staff has encouraged the City to bring the bridge projects to ORDC next fiscal year. The current repairs consist of tie and switch tie renewal, surfacing, and related work at various areas along the line. The total work estimate is presented below:

Greenfield to Midland City Rehabilitation Costs

Item	Unit Cost	Total Cost
2,600 ties	$61.35	$159,510
170 Kegs, Spikes	$75.00	$12,750
One Set Switch Timber	$6,500.00	$6,500
Surface 42,240 ft. Trk, 1" Raise	$1.25	$52,800
2,400 Tons, Ballast	$8.00	$19,200
2,400 Tons, Ballast Unloading	$1.50	$3,600
Mobilization		$5,000
Total		$259,360

The City will let competitive bids for the track work. The I&O will inspect the project work. The City will be responsible for continued maintenance of the track.

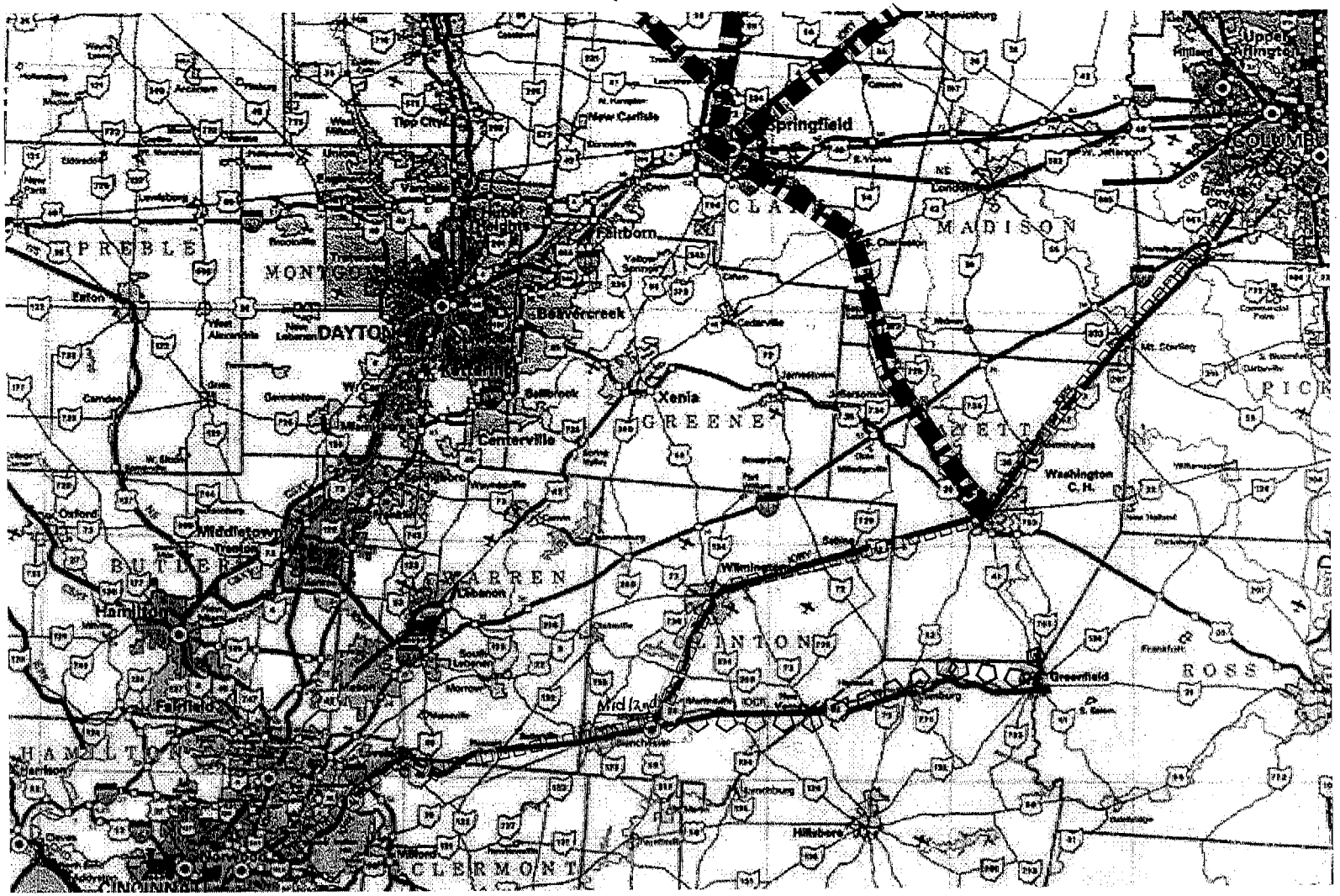
WHY ORDC FUNDING IS NEEDED: The economics of the line preclude private financing for all the capital needs on the line.

PROJECT BENEFITS:

- Helps preserve rail service to three rail dependent companies that employ about 1,044 people.
- Other businesses in the area depend upon the continued viability of the rail-dependent shippers on the Greenfield Line.
- Eliminating slow orders will improve the efficiency of I&O operations on a marginal branchline.
- The rehabilitation project will decrease the City's costs for maintaining the line.

OTHER CONTRIBUTIONS: The $50,000 contribution by the City of Greenfield are funds paid to the City by the I&O for past lease payments. The continued maintenance of the line by the City will be accomplished with contributions by the shippers to the City of $60 for every rail car they ship or receive matched by $60 paid by the I&O to the City.

To Detroit & Chicago



○○○○○○ Midland City to Greenfield

I&OR4 Midland Sub

Other I&OR4 Lines

RESOLUTION 09-11
RE: CITY OF GREENFIELD: MIDLAND CITY TO GREENFIELD REHABILITATION GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE CITY OF GREENFIELD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the City of Greenfield (the "City"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the City; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the City, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the City with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the City, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Mark Barbash	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 3/12/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/12/2009
Thomas McOwen, Vice-Chair Date

EXHIBIT A

A grant in an amount of up to Two Hundred Ten Thousand Dollars ($210,000) (the "ORDC Grant") for the purpose of rehabilitating a portion of the 29.5 mile long Midland City to Greenfield Line and shall include tie replacement, switch tie replacement, surfacing, and related work (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the City's location in the County of Ross, Ohio.

The ORDC Grant is subject to the following condition:

The City must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

APPROVED PROJECT BRIEFING
Ohi-Rail Minerva Tie Improvements
March 4, 2009

Project Funding		Project Benefits
* ORDC Grant	$16,000	* Preserves Service to New Shippers
* Ohi-Rail	$3,100	* Improves Safety of Ohi-Rail Operations

INTRODUCTION: Ohi-Rail Corporation requested a $16,000 grant to install 400 relay ties on ORDC and Ohi-Rail owned tracks in Minerva serving two new Ohi-Rail customers. Ohi-Rail will provide $3,100 toward the project. ORDC's Director approved the use of funds for this project.

BACKGROUND

Ohi-Rail Operations: Maps of the Ohi-Rail operations are included herein as Exhibit "A" (the Minerva Yard Area and Piney Fork Line) and Exhibit "B" (Overview of Ohi-Rail Operations in eastern Ohio). Ohi-Rail owns, or has operating rights over, approximately 42 miles of track and the Minerva Yard.

On Exhibit "A", ORDC owns a 1.47 mile long segment of track called the Pekin Branch as well as the "Piney Fork" line from just south of Minerva Yard (MP 43.5) to the end of the line at Hopedale (MP 77.5). Ohi-Rail has operating rights on all ORDC owned trackage shown. The Piney Fork is in service between Minerva and Amsterdam including one mile of the Wolf Run Branch. The Piney Fork is out of service between Amsterdam and Apex. The Ohio Central operates over the Piney Fork via a trackage rights agreement between the municipal solid waste facility at Apex and Carman/Pan where the Piney Fork connects to the Panhandle. The line is out of service between Pan and Hopedale where it connects to the W&LE.

On the rest of Exhibit "A", Ohi-Rail owns the 0.35 mile long Alliance branch, the 1.7 mile long Minerva Yard, the 0.30 mile long Horn Connecting Track, and the 2.8 mile long branchline between Minerva Yard and its interchange with Norfolk Southern at Bayard. ORDC has the right of first refusal to purchase this Ohi-Rail owned track. Exhibit "B" shows Ohi-Rail operations in eastern Ohio.

Ohi-Rail maintains one active interchanges, with NS at Bayard. In addition, Ohi-Rail could interchange with the W&LE at Hopedale at the south end of the Piney Fork, or near Minerva if out of service track were to be put back into service.

Ohi-Rail's business is composed of three basic elements, car storage, carload traffic, and transloading at Minerva Yard. Ohi-Rail had not shown a profit in the past several years but was paying off debt and developing new traffic, especially in Minerva Yard, to regain profitability. Ohi-Rail made a small profit in 2008 because of a strong car storage market.

Ohi-Rail Operations in Minerva Yard and Minerva/New Minerva Customers: Currently, Minerva Yard is the prime location for Ohi-Rail's car storage business. However, in the past, Minerva Yard was a very active place for the transloading and Ohi-Rail is working on new transloading opportunities.

Aluminum One is a new customer for Ohi-Rail which received 6 inbound carloads in the last year. It is located on the ORDC owned Pekin Branch in Minerva. It is expected to generate up to 20 cars of traffic in 2009. Jerico Plastics received 4 cars last year and is expected to receive up to 8 cars this year. It is located on the Ohi-Rail owned Alliance Branch in Minerva. The tracks used to serve Aluminum One and Jerico had been primarily used for storage of empty cars. The inbound potash for Aluminum One and plastics for Jerico Plastics arrive in 286,000 lb. cars so the stress on the track is much greater now than in the past.

PROJECT DESCRIPTION: Ohi-Rail will purchase 360 relay ties for installation with Ohi-Rail forces on the ORDC owned Pekin Branch to solidify the track for service to Aluminum One. Ohi-Rail will purchase and install 40 relay ties on the Alliance Branch to solidify track for service to Jerico. Project costs are estimated as follows:

Ohi-Rail Minerva Tie Project

Item	Quantity	Price	Total
Relay Ties	**400**	**$18.75**	**$7,500**
Kegs of Spikes	**16**	**$100.00**	**$1,600**
Tie Installation	**400**	**$22.00**	**$8,800**
Mark & Handle Ties	**400**	**$3.00**	**$1,200**
TOTAL COST			**$19,100**

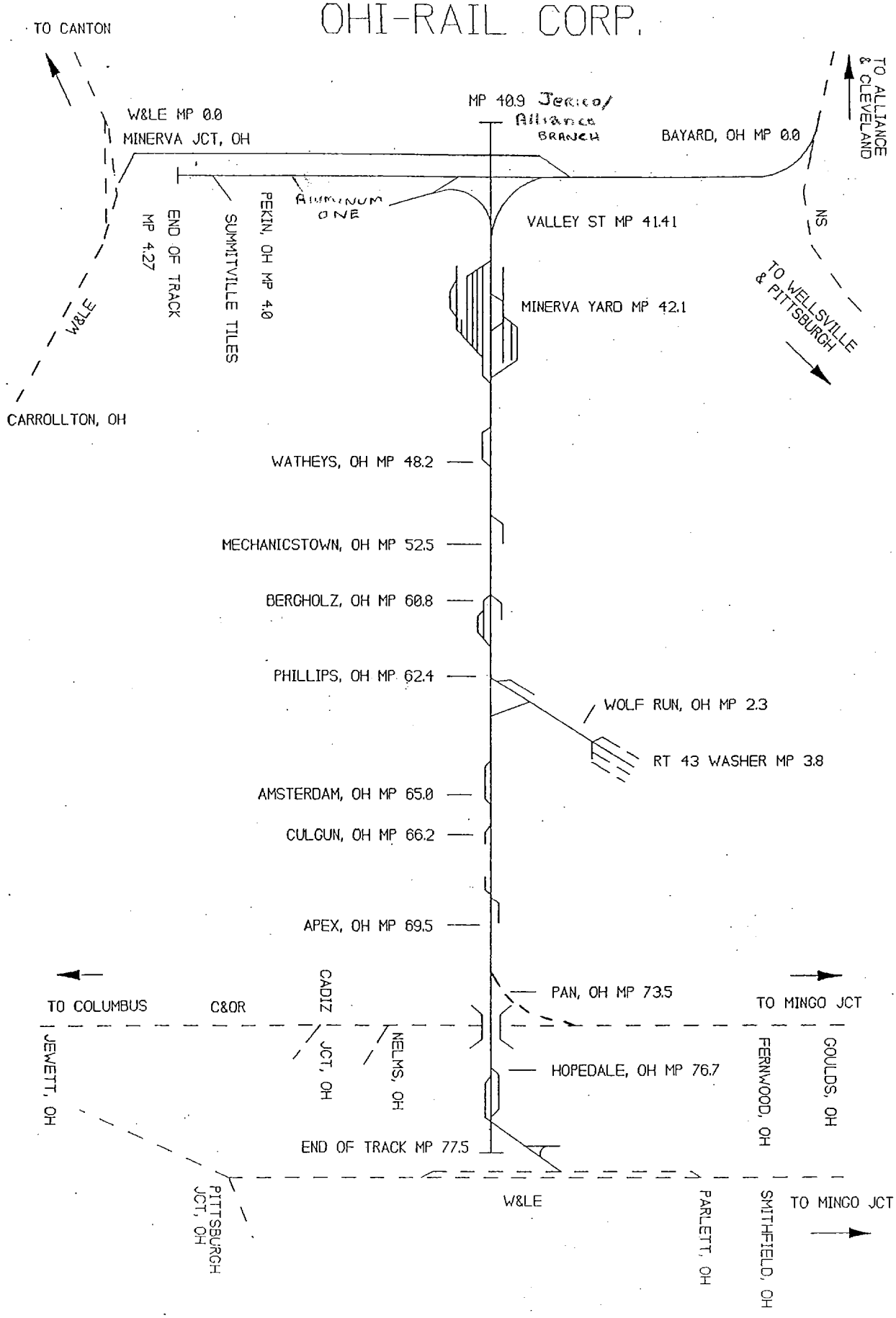
WHY ORDC FUNDING IS NEEDED: Without ORDC funding the project would not be done this year.

PROJECT BENEFITS

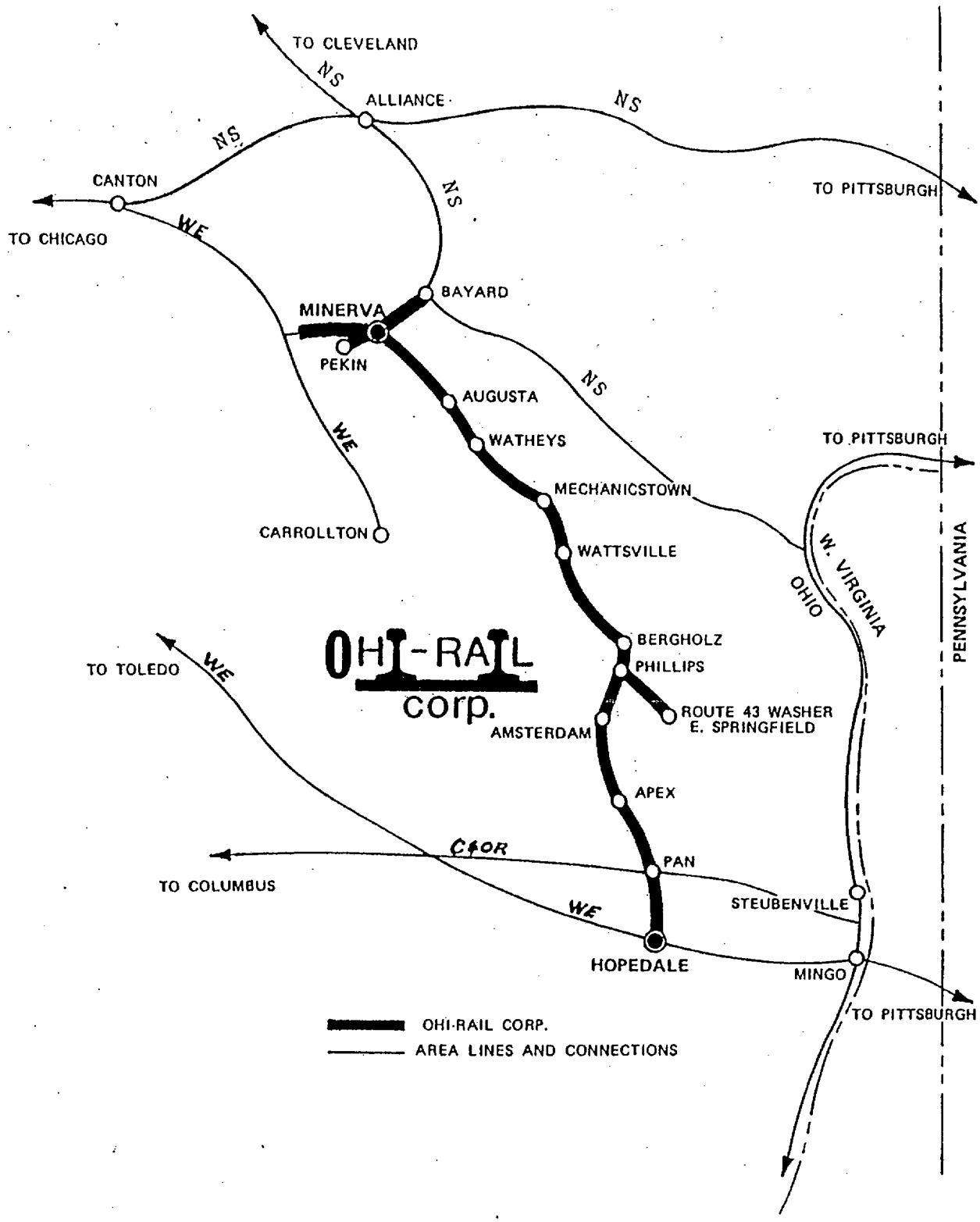
- Ohi-Rail profitability enhanced.
- Rail safety improved.
- Aluminum One (55 employees) has access to cost effective rail.
- Jerico Plastics (20 employees) has access to cost effective rail.

A

OHI-RAIL CORP.



B



Revisions:
5/17/90 (W&LE)
4/17/92 (C&OR)
11/08/93 (OHIC Bayard
6/01/99 (NS Merger)

28

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 4, 2009

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **OHI-RAIL MINERVA TIE PROJECT** and dated March 4, 2009 as described in that briefing.

Matthew R. Dietrich
Executive Director

Thomas McOwen
Vice-Chair

RESOLUTION 09-06

RE: EVALUATION OF ABANDONED RAILROAD RIGHTS-OF-WAY

A RESOLUTION URGING THE CREATION OF STATE OF OHIO PROGRAMS TO EVALUATE AND ACQUIRE ABANDONED RAILROAD RIGHTS- OF-WAY FOR USE FOR FUTURE INTERCITY, COMMUTER, AND LOCAL RAIL PASSENGER SERVICES

WHEREAS, thousands of miles of railroad rights-of-way have been abandoned in Ohio since the 1960's; and

WHEREAS, the State of Ohio has not maintained a comprehensive data base as to the ownership and disposition of these rights-of-way; and

WHEREAS, the State of Ohio has never funded any programs to evaluate the potential future use of these abandoned rail corridors for rail passenger services, or to acquire them for future passenger rail uses; and

WHEREAS, such a data base would be useful to State and local government agencies in planning new intercity, commuter, and local passenger rail services; and

WHEREAS, many of the existing, active rail lines in Ohio are at, or near, full capacity with the freight traffic generated by Ohio businesses as well as traffic generated by the private railroads which own, operate, and maintain the active rail lines; and

WHEREAS, capacity constraints on freight railroads' tracks hinder both the railroads' ability to increase the amount of freight traffic and efforts to develop new passenger services on the tracks of freight railroads; and

WHEREAS, increasing the capacity of Ohio's freight railroad system is vital to the prosperity of the commerce and industry of the State; and

WHEREAS, higher speed 110 MPH passenger operations, and truly high speed 150 MPH rail passenger services, are not compatible with freight operations and should optimally have their own rights-of-way;

NOW, THEREFORE, the Ohio Rail Development Commission ("ORDC") hereby resolves as follows:

1) The legislature of the State of Ohio should provide funding for the purpose of developing a comprehensive data base which would be available via the internet to the public that includes but is not limited to the location of every railroad right-of-way abandoned by freight railroads from 1960 to the present, a description of the ownership of the corridors according to records maintained by county offices, and other information relevant to using the corridor for future rail passenger purposes, or other purposes.
2) The legislature of the State of Ohio should provide funding for the purpose of the State of Ohio partnering with: a) other states; b) various local governments; and c) private entities with an interest in developing corridors for rail passenger, or other transportation uses including freight rail and recreational trails, for the purpose of conducting negotiations, title searches, appraisals, and, if necessary appropriation procedures, to begin acquiring the rights-of-way which would best promote the development of passenger rail in the State of Ohio, or other public purposes. The ORDC would then determine which abandoned rail corridors best promote the development of passenger rail by comparing the location of the corridors to existing state and local plans for new passenger rail services and assessing the likelihood that the passenger plans will come to fruition.

3) The legislature of the State of Ohio should provide the funding authority and appropriations described above to the ORDC to be used in coordination and cooperation with the Ohio Department of Transportation ("ODOT"). Use of the funds would be determined by the mutual agreement of the Directors of ORDC and ODOT.

4) ODOT and ORDC would be responsible for reporting the progress of data base development and right-of-way acquisition to the General Assembly on an annual basis.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	_____	no	_____	absent	____	abstained	____ recused
James G. Beasley	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Murdock for Lt. Gov. Fisher	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Action denied _____ Date _____

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 1/15/2009
Jolene M. Molitoris, Chairwoman Date